



Shivalik Rasayan Limited
40th Annual Report 2017-18



**FOCUSSED STRATEGY.
ROBUST CHEMISTRY.**

NAVIGATING THROUGH THE PAGES

CORPORATE IDENTITY

02

Shivalik Rasayan Limited – at a glance

03

Progress of our upcoming facility at Dahej – II, Gujarat

04

Chairman's Message

06

Strong financial acumen

07

Our niche positioning

08

Board of Directors

STATUTORY REPORT

09

Notice

19

Director's Report

36

Management Discussion and Analysis

FINANCIAL SECTION

46

Independent Auditor's Report (Standalone)

50

Standalone Financial

68

Independent Auditor's Report (Consolidated)

70

Consolidated Financial

INVESTOR INFORMATION

Market Capitalisation as on 31st March, 2018 :

Rs. 287.42 crores

BSE Code:

539148

Bloomberg Code:

SHVK:IN

Dividend for 2017-18:

10% per share

AGM Date : 28th September, 2018

AGM Venue : Hotel Saffron leaf GMS Road Dehradun, Uttarakhand-248146

Disclaimer

This document contains statements about expected future events and financials of Shivalik Rasayan Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of the Annual Report.

A strategically-driven Company providing chemistry-led solutions

At Shivalik Rasayan Limited, we have identified niche growth areas through our efficient research and development. Our strategic approach focuses on leveraging our business strengths and driving our Agrochemicals and Pharmaceuticals APIs, with a special focus on Oncology.

The chemistry of achieving valuable growth is reflected in delivering unmet market requirements combined with strong stakeholder commitment and equal responsibility towards society and environment.

Rs.4,363^{LAKHS}

REVENUE FOR
2017-18

Rs.801^{LAKHS}

EBIDTA FOR
2017-18

Rs.513^{LAKHS}

PAT FOR 2017-18



EBIDTA : Earning Before Interest Depreciation Taxes and Amortisation

PAT : Profit After Tax



Shivalik Rasayan Limited – at a glance

Shivalik Rasayan Limited (SRL) is amongst India's leading producer of Dimethoate Technical and second largest producer of Malathion Technical.

Our manufacturing facility at Dehradun, Uttarakhand is equipped with latest ultra-modern technology, delivering environmental-friendly products. During the year, we have established a state-of-the-art Research & Development Centre which has been approved by Department of Scientific and Industrial Research (DSIR), Department of Science and Technology, Government of India, where we can unbox the chemistry of bulk, speciality chemicals and pharmaceutical APIs. We are also coming up with a state-of-art API manufacturing facility at Dahej-II, Gujarat, which is expected to be operational by December 2019.



1981

YEAR OF INCEPTION

1,450^{MT}

ANNUAL PRODUCTION CAPACITY
AT DEHRADUN FACILITY

125

EMPLOYEES AS ON
31ST MARCH, 2018

Progress of our upcoming facility at Dahej – II, Gujarat

- Received revised Environment Clearance from Ministry of Environment & Forest in respect of API Intermediates
- Received revised Consent to Establish (CTE) from Gujarat Pollution Control Board
- Proximity to essential facilities such as water, power, fuel, telecommunication, rail/road network and financial institutions, among others

Rs. 185 LAKHS

PROPOSED
INVESTMENT

1,500 MT.

ANNUAL PRODUCTION CAPACITY

16,230 SQ. MT.

COVERED AS A GREENBELT

2019

EXPECTED DATE OF
COMMENCEMENT
OF OPERATIONS

An Artist's impression of our upcoming facility at Dahej – II, Gujarat



Chairman's Message



Dear Shareholders,

I am pleased to report that the financial year 2017-18 has been a year of significant growth with continued strategic progress towards our pre-defined goals. Our constant endeavours towards making SRL a responsible corporate are reflected in the bedrock of our business strategies. We are fully committed to make a difference in the areas of Active Pharma Ingredients (API) and Advance Pharma Intermediates by delivering niche solutions. Our constant engagement with our stakeholders allows to improve social, environmental and economic performance of our operations.

Our financial performance during the year showed a satisfactory growth. Here are some of the key highlights:

- Revenues strengthened 6.57%, from Rs. 4,094 lakhs in 2016-17 to Rs. 4,363 lakhs in 2017-18
- Operating profit strengthened 9.87%, from Rs. 729 lakhs in 2016-17 to Rs. 801 lakhs in 2017-18
- PAT strengthened 55.57%, from Rs. 330 lakhs in 2016-17 to Rs. 513 lakhs in 2017-18

During the year, we received all the necessary approvals for establishing our manufacturing facility to produce Pharma API and Intermediates at GIDC Dahej II, District

Bharuch, Gujarat. We are specifically focussing on developing molecules for the niche oncological segment. There are handful of players that derive such products, and hence, we stand a good opportunity to make our mark.

We have on-boarded a team of highly credible and experienced scientists that would be working on the selected molecules. Besides, our associate company, Medicamen Biotech Limited, will further provide us with the benefit of forward integration for our pharmaceutical value chain.

As we look forward, we are focused on making the critical, strategic choices that are needed to drive lean, disciplined operations and further strengthen our earnings foundation — all while leveraging our strategy to navigate fast-moving market dynamics.

I remain excited, passionate and confident in this great company and its very bright future. Once again I thank you all the Stakeholders, for your support as we build an even stronger, more profitable organisation going ahead.

Warm Wishes,
Rahul Bishnoi

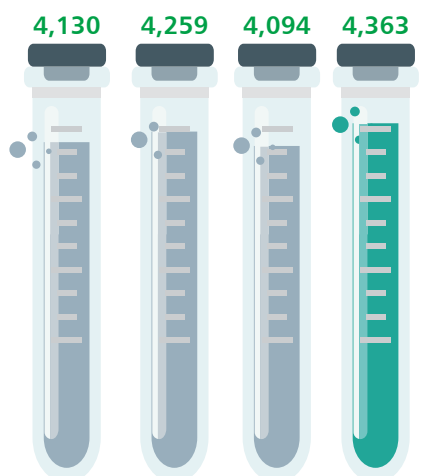
“ Our state-of-the-art manufacturing facilities and DSIR-approved R&D centre allow us to deliver customer-specific products. This has led to consistent business and the much-desired impetus to drive future sustainability.

Suresh Kumar Singh
Managing Director

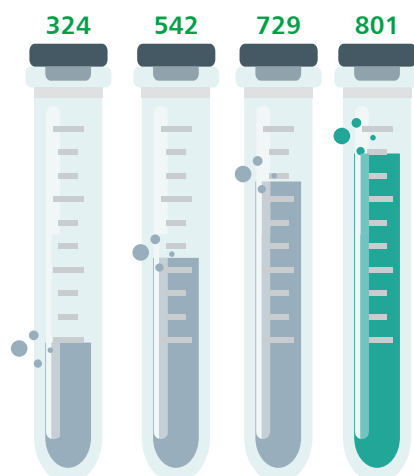




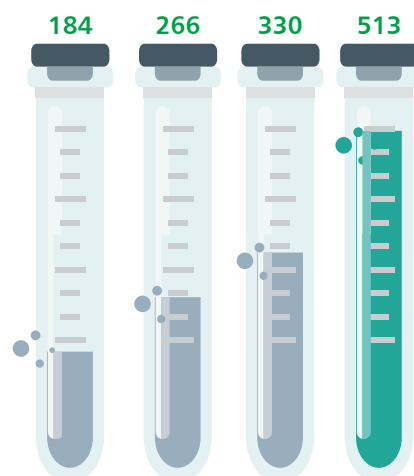
Strong financial acumen



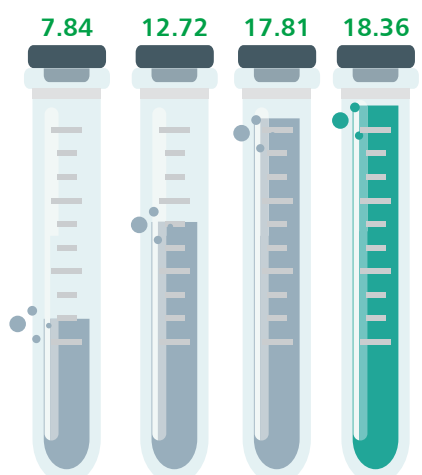
2014-15 | 2015-16 | 2016-17 | 2017-18
Revenues (Rs. in lakhs)



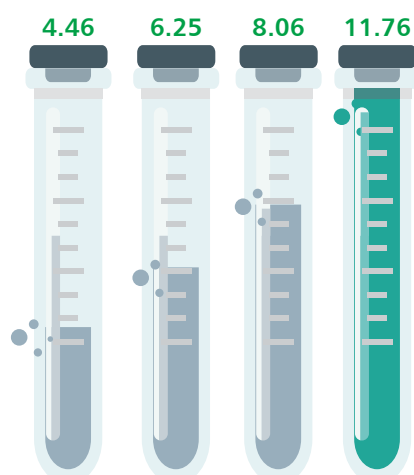
2014-15 | 2015-16 | 2016-17 | 2017-18
EBITDA (Rs. in lakhs)



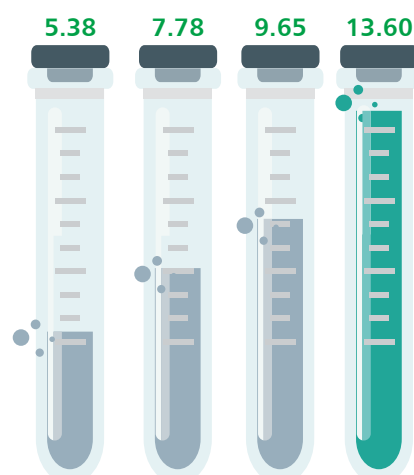
2014-15 | 2015-16 | 2016-17 | 2017-18
PAT (Rs. in lakhs)



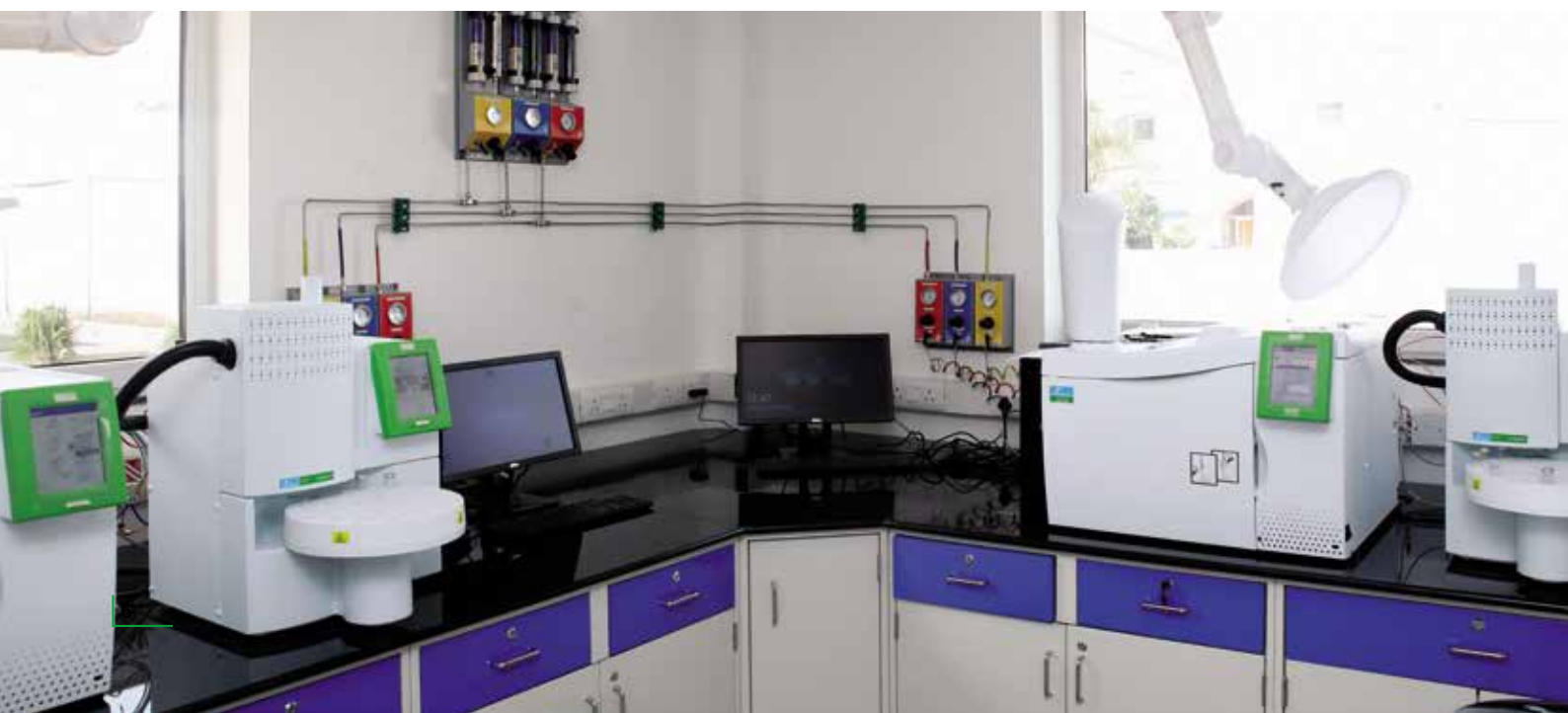
2014-15 | 2015-16 | 2016-17 | 2017-18
EBITDA margin (%)



2014-15 | 2015-16 | 2016-17 | 2017-18
PAT (%)



2014-15 | 2015-16 | 2016-17 | 2017-18
Earnings Per Share (Rs.)



Our niche positioning

- World's lowest cost producer of Dimethoate Technical
- Equipped to produce complex chemicals with strong focus on Pharma API and bulk chemicals with world class R & D facility recognised by DSIR Department of Science & Technology, Government of India
- Qualified, dedicated and highly skilled Human Resources
- World-class quality through stringent monitoring of raw materials and finished products at the plant
- Well-equipped quality control department with laboratories for Quality Control, Research and Development and Instrumentation
- Adherence to international safety norms along with periodical safety audits





Board of Directors

Mr. Rahul Bishnoi - Chairman

A fellow member of the Institute of Chartered Accountants of India and an industrialist having enriched experience. His core area of function include strategic business planning, financial analysis, regulatory compliances and developing new business model with strong processes. He is a firm believer of "hard work is the key to success in life". A widely networked, Mr. Bishnoi believes that manufacturing is the key for development of any country. His vision is to visualise India as a manufacturing hub. With the initiative and thrust of the Government on 'Make-in-India', his endeavour is to contribute maximum to this cause.

Mr. Suresh Kumar Singh - Managing Director

A qualified Chemical Engineer associated with the Company for over 29 years. He is the MD and overall in-charge of the manufacturing activities of the Company.

Mr. Ashwani Kumar Sharma - Director

A graduate with an enriched experience in holding the administrative affairs of the Companies.

Mr. Harish Pande - Independent Director

A Graduate with an enriched experience of 30 years in the Marketing of Agro Chemicals and Technical Formulations.

Mr. Anirudh Bishnoi - Whole Time Director

A science graduate with over 25 years of experience in the field of trading and managing the manufacturing operations.

Dr. Akshay Kant Chaturvedi- Executive Director

Dr. Akshay Kant Chaturvedi, Ph.D., MBA, LLB, PGDCI, is an Organic Chemist having over 24 years of experience in Intellectual Property Rights - specifically Patents (Handling Global Strategies for generics Active Pharma Ingredients, Process improvements & Polymorphs / Formulations / Biotech-NBEs/New Chemical Entities) and driving Research & Development-Organic Synthesis / Intermediates / Bulk Drugs / Formulations.

He has a rich experience in working with renowned pharma companies viz. Shilpa Medicare Limited, Dr. Reddys Laboratories Limited, Dabur Research Foundation (now owned by "Fresenius Kabi Oncology Limited) and Jubliant Organosys Limited.

Mr. Puneet Chandra - Independent Director

A qualified Chemical Engineer from BITS Pilani, he Possesses a vast experience in project designing and project management. He has worked with premier organisations like Vam Organics Limited and SRF Limited.

Mr. Arun Kumar - Independent Non - Executive Director

A qualified Chemical Engineer by profession with over 45 years of experience of establishing new industries right from construction to production.

Mr. Sanjay Bansal - Non - Executive Director

Mr. Sanjay Bansal is a Fellow Member of the Institute of Chartered Accountants of India and has an experience of more than 27 years in the field of finance, investments, taxation and international trade. He is a widely travelled person having an exposure across various fields including pharmaceuticals. He is an expert in business strategy and processes having international knowledge of financing and investment banking related matters.

Mr. Kailash Gupta - Independent Director

He is a fellow member of the Institute of Chartered Accountants of India. He has a specialisation in the field of Taxation, Accounting and development of accounting manual. He has vast knowledge of Concurrent, Internal Audit and Internal Control.

Mrs. Usha Pande - Independent Non - Executive Women Director

A Post Graduate in Economics, having 30 years of Industry Experience in the field of Administration & Marketing.